

Public Transportation in Michigan



Transportation Summit Planning
Team Meeting on Mobility Options
Clark Harder

September 22, 2003

Public Transportation in Michigan

Includes the oversight of movement of both passenger and freight. Our focus today on Mobility Options will center on:

- Local Public Transit Agencies
 - * Urban
 - * Small Urban
 - * Rural
- Intercity Bus (Greyhound, Indian Trails)
- Intercity Rail (Amtrak)

Other elements such as rail freight, marine and Aeronautics will be covered in later work sessions.

Historical Perspective of Public Transportation in Michigan

Prior to 1973, private companies provided essentially all mass transportation services.

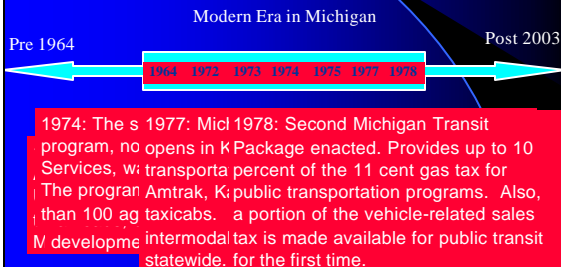
Due to an aging fleet, the need for many capital improvements, and ridership decline, the cost of providing service became so prohibitive to the private sector that many systems were either in bankruptcy or unable to maintain a level of service to meet the needs of their area.

The necessity to provide public transit prompted local governments, in cooperation with the State and Federal government, to purchase these operations from the private companies.

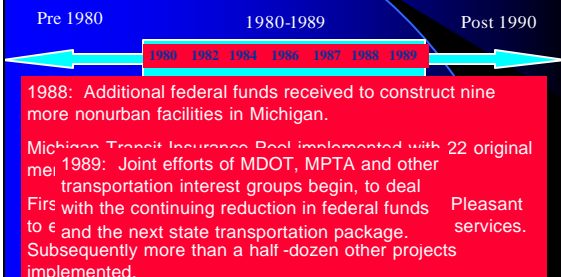
In 1972, only nine urban areas of the state had any local public transit services, and those were barely surviving.

Today, every county in the state has some level of public transportation. The task for the future is to maintain a secure, stable funding base to maintain these services while improving the level of service.

Public Transit Timeline



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Public Transit Timeline



1997: G: 1998-2003: Percentage of state support for though n transit decreases by approximately 3% each transit re year; transit systems seek out additional local million of funding to offset losses in state revenue. been withholding, resulting in spike in state percentage of support for public transportation to near the 50%/60% allowable limits under statute.

How Public Transportation is Funded Today

- Public Act 51 of 1951, as Amended, governs appropriations for most of the state's transportation agencies. Act 51 controls the process by funneling state-restricted transportation revenues into special funds and by then directing how those funds can be spent.
- Most state-generated revenue is derived from motor fuel taxes and vehicle registration fees. These sources generate an approximate \$2 billion for transportation annually. The Michigan Transportation Fund, or MTF, is the main collection and distribution fund for these restricted revenues.

Act 51 also provides a complex formula for the distribution of MTF funds to other state transportation funds, special program accounts, and to local governmental units. The primary recipients of MTF funds are:

- The State Trunkline Fund (STF) for the construction and maintenance of state roads and bridges and for the administration of the Michigan Department of Transportation;
- Local road agencies (county road commissions, incorporated cities and villages);
- The Comprehensive Transportation Fund (CTF) which funds public transportation programs including bus capital and operating assistance to the state's 70+ public transit agencies.

Local Bus Operating

The Formula

State support for public transportation is made primarily through capital and operating assistance to the state's 70+ public transit agencies. Most of that assistance is made through the Local Bus Operating line item, which provides for state reimbursement of:

- up to 50% of eligible operating expense for urban transit agencies, and
- up to 60% of eligible operating expense for non-urban transit agencies.

Urban agencies are defined as serving a population of greater than 100,000 while non-urban (rural) agencies serve a population of less than or equal to 100,000.

Other Sources of Funding

Public transit agencies in Michigan also receive:

- Federal operating (non-urban) and capital (urban) funds
- CTF funds as match to federal grants
- CTF Specialized Services operating funds to transit agencies and other providers of services to seniors and persons with disabilities
- CTF and federal funds for Transportation to Work programs
- Two Marine Passenger ferry services also supported by State and operating and capital federal dollars

Other Sources of Funding

• Majority of transit systems are funded locally, either through millage support or direct local government subsidies.

All public transit agencies also rely upon farebox revenues and local service contracts to support their operations.

Other Public Transportation Programs Receiving State and Federal Support

In addition to the state support for local transit operations, there are a number of other programs that the state, through MDOT, supports. Included among these are Intercity Bus and Rail which we will also be reviewing today.

Intercity Bus

- Three private companies in Michigan provide regular intercity bus route service - with most service provided by either Greyhound Line and Indian Trails
- Over 200 Michigan communities are linked by intercity bus service
- Over 100 Michigan facilities at which intercity bus connects to local transit and/or passenger rail
- Significant segments of the population served by intercity bus include students, families, the disabled, and the elderly

Intercity Bus

- Financial support for intercity bus passenger services is provided to:
 - Avoid isolation of small communities
 - Support tourism and economic development
 - Provide a connection to the national bus system
- MDOT uses CTF and federal Section 5311f funds to support the intercity bus system in three ways:

Intercity Bus

1. Operational Subsidies

- Operational subsidies currently to Greyhound and Indian Trails on four routes identified by MDOT
- Funds are provided to guarantee a pre-set rate per mile

2. Terminal Improvements

- Improvements or construction of new terminals as need arises and funds are available
- New terminal projects often part of a transit agency transfer facility
- Terminal projects may benefit both intercity bus and rail

Intercity Bus

3. State purchase of highway motorcoaches

- About five buses purchased a year and leased to the carriers at minimal cost
- Bus capital assistance helps ensure safe, modern vehicles serve intercity bus travelers throughout Michigan
- On average, about \$8.0 million in state and federal funds expended per year to support Michigan's intercity bus system

Intercity Passenger Rail

- Amtrak services twenty-three communities in Michigan with the following:
 - *Pere Marquette*: Grand Rapids-Chicago with one daily round-trip
 - *The International*: Toronto-Port Huron-Chicago with one daily round-trip
 - Michigan Service: Pontiac-Detroit-Chicago with three daily round-trip
 - The Detroit-Chicago portion of the Michigan Service is one of the original federally designated High Speed Corridors

Intercity Passenger Rail

- Amtrak offers dedicated thruway connection bus service from Detroit, Dearborn, Ann Arbor and Lansing to Toledo where you connect with trains to the east coast
- Indian Trails and Amtrak coordinate service between Flint and Battle Creek
- MDOT uses CTF and - when available - federal funds to support the intercity passenger rail system in two ways:

Intercity Passenger Rail

1. Direct operating subsidies (CTF)
 - The *Pere Marquette* and *International* services are operated by Amtrak at MDOT's request
 - CTF funding supports operating losses on these routes
2. Capital Improvements (CTF and federal)
Capital improvements are categorized into following components:
 - Track infrastructure
 - Train control
 - Communication systems
 - Stations equipment
 - Grade crossing

Intercity Passenger Rail

- Track, train control and communication systems, and grade crossing work has been geared towards implementation of high speed operations on the Detroit-Chicago corridor
- Equipment and stations improvements are for system-wide benefits
- For the past several years the intercity passenger rail service budget has been approximately \$8.0 million CTF and \$3.0 million federal
